STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: UTAH

Citation	Condition or Requirement
1906 of the Act	State Method on Cost Effectiveness of Employer-Based Group Health Plans

1. The cost of the premium is determined and annualized.

2. The services covered by the group plan and the Medicaid program are determined by contacting the employer by telephone and confirming coverage and deductible amounts.

3. The projected annual cost of individuals covered under Medicaid is based on a cost per eligible month for individuals with specific demographic characteristics. This calculation is figured annually. The resulting data are formulated into lookup tables in a PC-based program adapted from the State of New York. These tables are used for evaluations during the subsequent year. The characteristics evaluated are as follows:

   a. Rural vs. urban location within the State.

   b. Five categories of eligibility, which include:

      (1) AFDC-related
      (2) Aged
      (3) Blind
      (4) Disabled
      (5) Pregnant women

   c. Age (under 1, 1-5, 6-20, 21-64, 65+)

   d. Sex

   e. Medicare status

4. A factor for administrative expense is added to the Medicaid cost. The projected cost for co-insurance and deductible charges is also added to the cost of the premium.

5. The total projected annual Medicaid expenditures for services under the plan are compared to the annual projected premium plus the projected administrative costs and the projected co-insurance and deductible costs identified in item 4 above. The most cost-effective option for Medicaid is selected.

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6. Staff determining cost effectiveness can override a system-recommended decision based on the above calculations when a covered individual has significant medical problems that would not be fairly represented by the average medical expenditures determined in item 3 above. In this case, the justification for the override must be compelling.